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Washington, D.C. 20549

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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

SEC FILE NUMBER
8-41750

**FACING PAGE**

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/2003 AND ENDING 12/31/2003 **FEB 27 2004**  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

**Essex National Securities, Inc.**

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

**215 Gateway Road West**

OFFICIAL USE ONLY

FIRM ID. NO.

**Napa**

(No. and Street)

**CA**

**94558**

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

**Stephen V. Ciancarelli, CFO/SVP**

**(212) 326-9744**

(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

**Ernst & Young LLP**

(Name - of individual, state last, first, middle name)

**5 Times Square**

**New York**

**NY**

**10036**

(Address)

(City)

(State)

(Zip Code)

**CHECK ONE:**

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

**PROCESSED**

**MAR 29 2004**

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**THOMSON  
FINANCIAL**

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).


## OATH OR AFFIRMATION

Stephen V. Ciancarelli, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statements and supporting schedules pertaining to the firm of Essex National Securities, Inc., as of December 31, 2003, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

  
Signature  
Chief Financial Officer / Sr. Vice President  
Title

  
Notary Public

LUCILLE PELLICANE  
Notary Public, State of New York  
No. 01PE6053037  
Qualified in Kings County  
Term Expires January 2, 2007

This report\*\* contains (check all applicable boxes):

- ☒ (a) Facing page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A or Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

Essex National Securities, Inc.

Statement of Financial Condition

December 31, 2003

**Assets**

Cash and cash equivalents	\$ 700,490
Receivable from clearing broker	861,773
Marketable securities, at fair value	118,910
Commissions receivable	364,763
Due from affiliates	318,663
Due from parent	111,517
Other assets	365,093
Total assets	<u>\$ 2,841,209</u>

**Liabilities and stockholder's equity**

Liabilities:

Due to affiliates	\$ 128,607
Commissions payable	617,736
Accounts payable and accrued expenses	59,461
Total liabilities	<u>805,804</u>

Stockholder's equity:

Common stock, no par value, 200 shares authorized, issued and outstanding	
Additional paid-in capital	1,154,565
Retained earnings	880,840
Total stockholder's equity	<u>2,035,405</u>
Total liabilities and stockholder's equity	<u>\$ 2,841,209</u>

*See accompanying notes.*